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Reagan Seeks to Continue Military Buildup With Rise Of 10% in Spending, a Boost Congress Is Certain to Trim

Fiscal 1986 Increase Is Cited As Necessary to Finish Modernization of Forces

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WASHINGTON—The Reagan administration is seeking to continue the U.S. military buildup with a 10% increase in the Defense Department's spending authority in fiscal 1986, a boost Congress is sure to trim.

The proposed increase, which amounts to a \$29 billion rise from the current fiscal year, has been pitched to Congress as a necessary step in completing the modernization of the armed forces that President Reagan began four years ago. In addition, Pentagon officials have warned legislators that a halt in the defense buildup would weaken the U.S. negotiating position in the coming arms talks with the Soviet Union.

President Reagan is seeking to boost Defense Department spending authority in fiscal 1986 to \$313.7 billion from \$284.7 billion in the current fiscal year, which ends Sept. 30. After inflation adjustments, that comes to an increase of about 6%. Last December, the Pentagon agreed to trim its proposed increase by \$8.7 billion in response to pressures from President Reagan's economic and political advisers. However, many legislators still oppose the military increase, because domestic programs still would shoulder most of the burden of the government's push toward greater fiscal austerity.

Leading Senate moderates such as Majority Leader Robert Dole (R., Kan.) and Budget Committee Chairman Pete Domenici (R., N.M.) are insisting on fiscal restraint from the Pentagon. Speaking on ABC-TV's "This Week With David Brinkley" yesterday, Mr. Dole suggested that Republican lawmakers may move from considering a one-year freeze for defense to a growth rate over three years of 3% after inflation.

At a news briefing on the budget, Defense Secretary Caspar Weinberger stated that other departments' spending plans, and general fiscal concerns are "largely irrelevant" to the defense budget. "It is

the perception of the threat and the threat itself that determine our national security needs," he said. A paper issued by the department notes that the Pentagon has reduced its increases from earlier projections, and concludes that "defense has not been a major contributor to rising (federal budget) deficits."

If approved as submitted, the defense budget would amount to 6.8% of the gross national product, the value of the nation's output of goods and services. It would be 29.3% of the federal budget. In the current fiscal year, the defense budget represents 6.6% of GNP, and 26.5% of the federal budget.

The Pentagon budget, coming midway in Ronald Reagan's presidency, marks the beginning of a spending bulge, as the Pentagon takes delivery of weapons systems ordered in the first term. Critics contend that the situation has been exacerbated by the ways both Congress and the Defense Department tend to trim the military budget.

Specifically, spending cuts often come from operations costs, spare parts budgets, or deferrals in military construction. These cuts produce immediate savings but often lead to higher costs later on. Weapons programs, whose costs build up in future years, are rarely cut. In planning the fiscal 1986 budget over the past year, for example, the Pentagon chopped some \$30 billion from its projected budget without canceling a single weapons program. The Pentagon projects that its spending authority would grow to \$354 billion in fiscal 1987, \$401.6 billion in fiscal 1988, and \$438.8 billion in fiscal 1989.

The Defense Department's actual outlays would grow at the slightly higher rate of 13% under the Reagan budget. Outlays would be \$277.5 billion in fiscal 1986, or \$31.2 billion more than the \$246.3 billion that the administration expects to spend for the current fiscal year. In part the growth in outlays reflects ballooning costs from weapons ordered over the past four years.

Military outlays generally are lower than spending authority because there is a lag between the time weapons programs are authorized and the time the Pentagon actually pays the bills.

Other Programs

When the defense budget is expanded to include nuclear programs managed by the

Energy Department, and certain other programs also run outside the Pentagon, the proposed spending authority comes to \$322.2 billion for fiscal 1986, up from \$292.6 billion in the current fiscal year. When these programs are included, outlays in fiscal 1986 would be \$285.7 billion, up from \$253.8 billion in 1985.

Pressures to trim the growth of military expenditures resulted in a reduction in the number of F-14, F-15 and F-16 fighter planes from earlier budget plans for fiscal 1986. Also, the Pentagon reduced the number of Stinger missiles and Patriot missiles it had planned to order.

The Pentagon is seeking \$1.1 billion for the Divad air defense gun, and the AMRAAM air-to-air missile, which have been held up this year because of massive cost overruns and poor test performance. Both weapons programs are under review, and Pentagon officials said that they may decide to cancel them. In that case, the department could seek to spend the money on other programs.

The 1986 budget would continue the Reagan administration's expansion of the U.S. nuclear arsenal. The Pentagon is seeking \$4 billion to buy 48 more MX missiles and \$6.2 billion to buy 48 B-1 bombers, which would complete the fleet of 100 of these strategic bombers.

In addition, there are sharp increases sought for several new types of nuclear weapons, such as the small, land-based Midgetman missile, the submarine-based D-5 missile, and the sea-based Tomahawk missile.

President Reagan has already met with congressional leaders to defend this portion of the military program. He and Secretary Weinberger have argued that any cutback in nuclear weapons would endanger the prospects of an arms-reduction agreement with Moscow.

Star Wars Research

The president's controversial Star Wars missile defense plan would be more than doubled under the 1986 budget. In seeking \$3.7 billion for Star Wars research, the administration has held out the promise that the U.S. can someday defend itself from nuclear attack by means other than the threat of a counterattack.

Critics of the program contend that by planning a large-scale missile defense, the U.S. is making it less likely that the Soviets will accept reductions in offensive nuclear weapons.

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Secretary Weinberger contends that approval of his entire budget is necessary for "restoring our security." But the Pentagon realizes that after four years of steady defense-spending increases, it faces unprecedented pressures to contribute to reducing the budget deficit.

Much of the debate over the budget is expected to focus on several highly controversial items. Leading this list are the MX missile, which survived last year only when Vice President George Bush voted to break a tie in the Senate, and the Star Wars missile defense plan.

There will also be a congressional battle over Pentagon plans to begin producing chemical weapons after years of inactivity. Although there is talk of seeking to reach an accord with the Soviets to ban the weapons, the administration is seeking funds to build up the U.S. stockpile in the meantime.

Under the administration's overall budget plan, civilian government employees would be subject to a 5% pay cut, which would save the Defense Department about \$1.1 billion. Meanwhile, the Pentagon plans to seek a special 3% pay raise for military personnel in June, but isn't proposing any rise for fiscal 1986.

Many items of the defense budget won't be openly debated because they are protected by secrecy classifications. Billions of dollars earmarked for U.S. intelligence activities and for a slew of classified weapons systems don't appear in the official budget.

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